

NOTICE

Notice is hereby given that the 54th (Fifty Fourth) Annual General Meeting of the Shareholders of 'Gujarat Mineral Development Corporation Limited' will be held on Friday, the 29th September, 2017 at 11.00 AM at the Registered Office of the Company, at Khanij Bhavan, 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad – 380 052 to transact the following businesses:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company (standalone and Consolidated) for the year ended on March 31, 2017, including the Balance Sheet, Profit and Loss Statement and Cash Flow Statement as at that date together with the Report of the Board of Directors, and Auditors and C & AG thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2017.
3. To fix up the remuneration of Statutory Auditors for the year 2017-18 to be appointed by the Comptroller & Auditor General of India.

Special Business :

4. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as an Ordinary Resolution for seeking consent of the shareholders for the contribution under Section 181 of the Companies Act, 2013

“RESOLVED THAT pursuant to the provisions of section 181 and any other applicable provisions of the Companies Act, 2013, (including any statutory modification of re-enactment thereof for the time being in force), the consent of the members of the company be and is hereby given to the Board of Directors for making contributions or donations during the Financial Year 2017-18 to any bona fide Charitable Funds or Trusts in India for an amount exceeding five percent of average net profits of the company during the three immediately preceding financial years subject to maximum amount of Rs. 8 crore during the Financial Year 2017-18.

5. To ratify the remuneration of Cost Auditors for financial year 2017-18 and if thought fit, to pass the following

resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to Section 148 and all other applicable provisions, if any, of the Companies Act 2013 and the Rules made there under, the remuneration of Rs. 1,50,000 (Including Service Tax), reimbursement of out of pocket expenses incurred in connection with the Cost Audit for financial year 2017-18 payable to M/s N.D.Birla, Cost Auditors (Firm Registration Number 102166), as approved by the Board of Directors of the Company at its Meeting held on Dt. 09.05.2017 be and is hereby ratified.”

By Order of the Board-of-Directors

Joel Evans

Company Secretary

Date : 9th August, 2017

Place : Ahmedabad.

Registered Office :

Gujarat Mineral Development Corporation Limited

CIN NO:- L14100GJ1963SGC001206

'Khanij Bhavan', 132 Ft. Ring Road,

Nr. University Ground, Vastrapur,

Ahmedabad-380 052

Explanatory Statement as required under Section 102 of the Companies Act, 2013.

Item No. 4

In accordance with the section 181 of the Companies Act, 2013, the Company is required to obtain approval of the members before making any contribution to any charitable funds. The section also required that the charitable fund should be a bonafide one.

As per the said section, the aggregate amount of such contribution in any financial year shall not exceed five percent of its average net profit for the three immediately preceding financial years. The average net profits of the company for the three immediately preceding financial years is Rs. 349.70 crore. Hence the company can make contribution to any bona fide charitable funds an amount not exceeding Rs. 17.48 crore. During the Financial Year 2017-18, the Company has already expended donation / financial assistance / financial contribution for an amount of Rs. 17.12 crore for various purposes such as CSR, relief during natural disasters to the bona fide charitable Funds or Trusts. During the financial year,



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

the Company would require to expend towards CSR activities. Hence the approval of the shareholders is being sought.

None of the Directors, key managerial personnel of the company and their relatives are interested or concerned financially or otherwise in the proposed resolution.

The Board of Directors recommends passing of the resolution set out in Item No. 4 of the Notice.

Item No. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors, M/s N.D. Birla & Co., to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 with a remuneration of Rs.1,50,000 (Including Service Tax).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

By Order of the Board-of-Directors
Joel Evans
Company Secretary

Date : 9th August, 2017

Place : Ahmedabad.

Registered Office :

Gujarat Mineral Development Corporation Limited

CIN NO:- L14100GJ1963SGC001206

'Khanij Bhavan', 132 Ft. Ring Road,

Nr. University Ground, Vastrapur,

Ahmedabad-380 052

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective shall be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. Pursuant to provisions of Section 105 of the Companies Act, 2013 and rules framed there under, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send the Company, a certified copy of Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting. The 'Members Register' and the 'Share Transfer Book' of the Company shall remain closed from Friday, 22nd September, 2017 to Friday, 29th September, 2017 (both dates inclusive).
3. The dividend declared at the Annual General Meeting will be paid on equity shares of the Company on or after 11th October 2017 to those Members holding shares in physical form and whose names appear on the Register of Members of the Company on 29th September, 2017. In respect of shares held in electronic form, the dividend will be payable to those who are the beneficial owners of shares after close of business hours on 21st September, 2017, as per details to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL).
4. Relevancy of questions and the order of speaker at the meeting will be decided by the Chairman.
5. Members are requested to give full particulars of their Bank Account details for safe payment of dividend.
6. Facility of payment of dividend through ECS / NECS is available. Those shareholders who are holding shares in electronic mode should register their ECS mandate with their respective depository participants directly. For those shareholders who are holding equity shares in physical mode, they are requested to deposit ECS mandate form with the office of the Companies Share Transfer and Registrar Agent M/s MCS STA Limited, 201, Shatdal Complex, Opp. Bata Show Room, Ahmedabad-9. ECS mandate form for physical holding is attached to this notice which may be filled up by the shareholders and sent to the Registrar and Share Transfer Agent.
7. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to M/s. MCS STA Limited, 201, Shatdal Complex, Opp. Bata

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- Show Room, Ahmedabad in respect of their physical share folios, if any.
8. Members desiring any information about accounts at the meeting are requested to write to the Company at least seven days in advance of the Annual General Meeting.
 9. The Annual Report 2016-17 is being sent through electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email address, physical copies of the Annual Report 2016-17 are being sent by the permitted mode. The notice of the 54th AGM and instructions for e-voting, along with the Attendance Slip and Proxy form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s), unless member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the documents are being sent by the permitted mode.
 10. With a view to using natural resources responsibly, we request shareholders to update their email address, with their Depository Participants to enable the Company to send communication.
 11. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the company.
 12. Members / Proxies are requested to bring a copy of their Annual Report and are also requested to produce the Attendance Slip at the entrance of the Meeting Hall.
 13. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form; the nomination form may be filed with the respective Depository Participant.
 14. Pursuant to the provisions of Sections 124 & 125 of the Companies Act, 2013 read with relevant rules, dividends for the financial year ended 31st March, 2010 which had remained unclaimed for a period of seven years from the date of transfer of the same will have to be transferred to the 'Investor Education and Protection Fund' established by the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 2010 or any subsequent financial years are requested to make their claim to M/s. MCS STA Limited, Ahmedabad,.Shareholders are requested to note that no claims shall lie against the said Fund or the Company in respect of any amounts which were unclaimed for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

The due dates of transfer of unpaid/unclaimed dividend for various years are as under :-

Sr. No.	Year	Date of Declaration	Due Date of Transfer
1	2009-1010	28.09.2010	28.09.2017
2	2010-2011	30.09.2011	30.09.2018
3	2011-2012	28.09.2012	28.09.2019
4	2012-2013	27.09.2013	27.09.2020
5	2013-2014	25.09.2014	25.09.2021
6	2014-2015	29.09.2015	29.09.2022
7	2015-2016	29.09.2016	29.09.2023

Further, pursuant to the provisions of Section 124 of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all shares on which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to an IEPF suspense account. The Company has sent intimation to all such shareholders who have not claimed their dividend for seven consecutive years. All such Shareholders are requested to claim their Unclaimed Dividend expeditiously failing which their shares shall be transferred to IEPF suspense Account and no claim shall lie against the Company. The Shareholders thereafter need to claim their shares from IEPF Authority by filing E-Form-5 and by following such procedures as prescribed in the IEPF Rules (as may be amended from time to time).

15. Green Initiatives:

The Ministry of Corporate Affairs has allowed paperless compliances by companies through electronic mode by providing the same under the Companies Act, 2013 and rules framed there under. The Members can now receive various notices and documents including Annual Reports through electronic mode. Members who have not registered their e-mail address are encouraged to participate in this green initiative by registering their e-mail id for e-communication. Members holding shares in dematerialized form are requested to register / update their e-mail id for e-communication with the Depository Participants, while Members holding shares in physical form are requested to register their e-mail id by sending a request on cosec@gmdcltd.com or mcsstaahmd@gmail.com. Even after registering for e-communication, Member(s) are entitled to receive communication(s) including Annual Report in physical form, free of cost, on receipt of written request for the same. Members may also note that the Annual Report for the financial year 2016-17 together with Notice of the 54th Annual General Meeting, Attendance Slip, Proxy Form and Route Map will also be available on the website of the Company viz. www.gmdcltd.com.

16. Members/Proxies should bring the attendance slip sent herewith duly filled in & signed for attending the Meeting. The copies of the Annual Report or Attendance Slips will not be distributed at the Meeting.



17. Voting through electronic means

The instructions for members for voting electronically are as under:-

As per Sections 107 and 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, facility is provided to the Shareholders for e-Voting through CDSL to enable them to cast their votes electronically on the resolutions mentioned in the Notice of the 54th AGM dated 9th August, 2017. The detailed process, instructions and manner for availing e-Voting facility is shown hereunder :

The Company has fixed Friday 22nd September, 2017 as a cut-off date to record the entitlement of the Shareholders to cast their votes electronically at the 54th AGM.

(A) SECTION A : E-VOTING PROCESS-SHAREHOLDERS HOLDING SHARES IN DEMAT FORM

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).
	<ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. The Sequence Number is printed on address sticker. • In case the Sequence Number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

DOB/ Dividend Bank Details#	<ul style="list-style-type: none"> • Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. • Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date (22nd September,
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the 170825019 (EVSN) for the relevant GUJARAT MINERAL DEVELOPMENT CORPORATION LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) For Institutional shareholders :

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

SECTION-B : E-VOTING PROCESS - SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM

Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

SECTION C : COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

1. The voting period begins on Monday, 25th September, 2017 at 9:00 AM and ends on Thursday, 28th September, 2017 at 5:00 PM During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (22nd September, 2017), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 22nd September, 2017. (Cut off date)
3. Mr. Sandip Sheth, Practicing Company Secretary (Membership No. FCS 5467), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
4. The facility for voting through ballot will also be made available at the AGM, and members attending the AGM who have not already cast their vote by remote-e-voting will be able to exercise their right at the AGM. Shareholders who have not cast their vote electronically, by remote-e-voting may only cast their vote at the AGM through ballot paper.
5. The result of voting will be announced by the Chairman of the Meeting on or after the 54th Annual General Meeting to be held on 29th September, 2017, the Friday. The result of the voting will be communicated to the Stock Exchanges and will be placed on the website of the Company www.gmdcltd.com.

6. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
7. Institutional shareholders (i.e. members other than individuals, HUF, NRIs, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority letter, etc., together with the attested specimen signature(s) of the duly authorized signatory(ies) who is / are authorized to vote, to the scrutinizer via email at: sheth.sandip@gmail.com with a copy marked to evoting@nsdl.co.in.

Contact Details

Company Gujarat Mineral Development Corporation Limited
(A Government of Gujarat Enterprise)
CIN : L14100GJ1963SGC001206
"Khanij Bhavan", 132 Ft. Ring Road, Near University Ground, Vastrapur, Ahmedabad-52
Phone : 2791 0665 / 2791 1662 / 2791 3200 / 2791 3201
TeleFax : 079 – 2791 1151
e-mail : cosec@gmdcltd.com
website : www.gmdcltd.com

Registrar & Share Transfer Agent M/s MCS Share Transfer Agent Limited
201, Shatdal Complex, 2nd Floor,
Opp. Bata Show Room, Ashram Road,
Navrangpura
Ahmedabad-380 009
E-mail : mcsahmd@gmail.com

e-Voting Agency Central Depository Services (India) Limited
E-mail : helpdesk.evoting@cdslindia.com

Scrutinizer M/s Sandip Sheth & Associates
Practicing Company Secretary
E-mail : sheth.sandip@gmail.com



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

BOARD'S REPORT 2016-17

To
The Shareholders,
Gujarat Mineral Development Corporation Limited

Your Directors have pleasure in presenting 54th Board's Report along with the audited accounts of your Company for the financial year 2016-17.

1. FINANCIAL RESULTS

Our profit after tax for the year is Rs. 32422.96 lakh as against Rs. 22457.05 lakh last year.

FINANCIAL RESULTS	2016-17 Rs. in lakh	2015-16 Rs. in lakh *
Operating profit	59856.71	45023.12
Less: Interest	132.93	105.75
Profit after interest, but Before depreciation	59723.77	44917.34
Less: Depreciation	15125.75	13071.85
Profit before tax & exceptional items	44598.03	31845.49
Less: Exceptional items	0	0
Profit before tax	44598.03	31845.49
Less: Provision for tax for the year including deferred tax	12175.07	9388.44
Net profit after tax	32422.96	22457.05

* The figures of previous year have been adjusted as per the requirements of Ind.As

2. REVIEW OF THE BUSINESS OPERATIONS

2.1 LIGNITE PROJECTS:

During the year, the Company operated six lignite mines, namely, Panandhro, Mata-No-Madh, Rajpardi, Tadkeshwar, Bhavnagar and Umarsar Lignite Mines. During the year under review, 76.52 lakh tones of lignite were produced from these mines. The mine-wise production figures are as follows:

Sr. No.	Name of mine	Lignite production in lakh MT
1	Panandhro	13.36
2	Mata-No-Madh	21.83
3	Tadkeshwar	14.50
4	Rajpardi	6.84
5	Bhavnagar	5.28
6	Umarsar	14.72
Total		76.52

2.2 POWER PROJECT – NANI CHHER

During the year under review, 2 x 125 MW Akrimota Thermal Power Station is running successfully. This year the Power Plant has turned around and performed very well by producing 1392 MUs having 63.6% PLF.

2.3 WIND AND SOLAR POWER

Wind Farm Projects of 200.9 MW are situated at different locations in Gujarat and 5 MWp Solar Power Project is situated at Panandhro Lignite Project, which are running satisfactorily. The Wind Projects have achieved 25% PLF (Plant Load Factor), whereas Solar Project is running at 18% CUF (Capacity Utilization Factor). During the year under review, the Company also completed setting up of another 50 MW of wind power. With this, the total installed capacity of wind power would become 200.9 MW.

2.4 BAUXITE

During the year 2016-17, the Gadhsisa Group of bauxite mine has produced 31,219 M.T. of (+) 52% Al₂O₃ bauxite and 5,63,751 MT of (-) 52% Al₂O₃ bauxite.

During the year 2016-17, the Gadhsisa group of mines sold 748 MT of (+) 52% Al₂O₃ bauxite and 2,68,995 MT of (-) 52% Al₂O₃ bauxite along with 45,072 MT of mine dust.

2.5 MEWASA BAUXITE PROJECT, MEWASA

During the year 2016-17, Mewasa mine has produced 16,791 M.T. of (+) 52% Al₂O₃ bauxite and 94,306 MT of (-) 52% Al₂O₃ bauxite.

During the year 2016-17, Mewasa mine sold 3,440 MT of (+) 52% Al₂O₃ bauxite and 99 MT of (-) 52% Al₂O₃ bauxite.

2.6 FLUORSPAR PROJECT, KADIPANI (DIST. VADODARA)

GMDC along with M/s. Gujarat Fluoro Chemicals Limited and M/s Navin Fluorine Chemicals Limited is setting up the fluorspar beneficiation project, a single largest project of 40,000 MTPA capacity at Kadipani. Based on pilot test report, Global tender will be floated for selection of EPC contract. Valuation report for kadipani assets has been received from Ernst and Young. Based on report, land will be leased on hire basis to JV Company and asset transfer will be carried out in favour of JV Company.

2.7 MANGANESE

During the period 2016-17, Company has disposed of 4,572 MT of manganese Ore Waste dump lying at Pani Area of Panchmahal district.

During the period 2016-17, Company has disposed of 38,502 MT of manganese Ore Waste dump lying at Shivrajpur area of Baroda district.

3. DIVIDEND

Your Directors have pleasure to recommend a dividend of 150% i.e. Rs. 3 per share on equity shares. An amount of Rs. 9540 lakh on paid up equity share capital of Rs. 6,360 lakh shall be paid as dividend. The Company has a Dividend Distribution Policy which can be accessed at <http://www.gmdcltd.com/downloads/Dividend-Distribution-Policy-30082017.pdf>

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 of The Companies Act, 2013 and applicable provisions of Companies Act, 2013, any unclaimed dividend or unpaid Dividend relating to the financial year 2009-2010 will be transferred to the Investor Education and Protection Fund established by the Central Government on due date. Further, as per the provisions of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the company will also transfer the shares of the shareholders who have not claimed their dividend for a consecutive seven years. The necessary approval and the authorization for this purpose have already been completed. In line with the instructions to be received from Ministry of Corporate Affairs, the company will transfer such shares to IEPF authority.

5. CONTRIBUTION TO STATE & CENTRAL EXCHEQUER:

The Company has contributed to the State Exchequer an amount of Rs. 30599.15 lakh including Royalty of Rs 5485.81 and Sales Tax of Rs.25113.34 lakh.

The Company has contributed to the Central Exchequer an amount of Rs. 7300 lakh as Income Tax, Rs. 4570.46 lakh as Central Excise & Rs. 30675.60 lakh as Clean Energy Cess.

6. SHARE CAPITAL

During the year under review the issued, subscribed and paid-up share capital remained constant at Rs. 63.60 Crore divided into 31,80,00,000 equity shares of Rs. 2 each.

7. FINANCE AND TAXATION

Income Tax assessment of the Company has been completed up to the Financial Year 2012-13 and the Sales Tax assessment has been completed up to the Financial Year 2012-13.

8. INTERNAL AUDIT

M/s G S V & Co. Chartered Accountants and M/s R S Patel & Co., Chartered Accountants are the internal auditors of the company.

9. STATUTORY AUDIT

M/s. S C Ajmera & Co., Chartered Accountants were appointed Statutory Auditors of the Company by the Comptroller & Auditor General of India for the Financial Year 2016-17.

10. AUDIT BY COMPTROLLER AND AUDIT GENERAL OF INDIA (C & AG)

Being a Government Company, the C & AG has carried out

supplementary audit of your Company pursuant to Provisions of Section 143 (6) of the Companies Act, 2013. The C & AG has not offered any adverse comment upon or supplementary to statutory audit report which has been shown Separately under the title Comments of the Comptroller and Auditor General of India

11. COST AUDIT

Shri Manish B. Analkat was appointed as Cost Auditors of the Company for the year 2015-16. The Cost Audit Report has been filed on 16/9/2016 for the Financial Year 2015-16.

12. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company has appointed M/s. Arvind Gaudana & Company, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the year 2016-17.

13. STATUS OF VARIOUS JOINT VENTURES

13.1 Naini Coal Company Limited

Naini Coal Block was allocated jointly to the Company and Pondicherry Industrial Promotion Development & Investment Corporation Limited (PIPDICL) and to develop the Coal Block, Naini Coal Company Limited was incorporated as the JVC. Due to slow progress on the project because of non-receipt of PL approval from Govt. of Odisha, Ministry of Coal, Govt. of India, de-allocated the block, invoking 50% of the Bank Guarantee. The company had filed petition in the High Court of Gujarat. The Hon'ble Supreme Court of India has cancelled all the allocated coal blocks which include Naini Coal Block also. Hence this joint venture will be closed in due course. We have filed a writ petition in the Hon'ble High Court and is pending for disposal.

13.2 Gujarat Credo Mineral Industries Limited

Dry beneficiation of low grade bauxite and Zeolite manufacturing plant has been commissioned.

13.3 Alumina and Aluminium Smelter Plant

Land required for the project has been allocated by Government and part possession has been taken. Process for obtaining possession of remaining portion of land also is under progress. DPR for 0.5 Million TPA plant got prepared by NALCO and is not viable. Hence they have requested GMDC to drop the project and the same is under approval of Govt. of Gujarat.

13.4 Fluorspar Beneficiation plant

GMDC along with M/s. Gujarat Fluoro Chemicals Limited and M/s Navin Fluorine Chemicals Limited is setting up



GUJARAT MINERAL DEVELOPMENT CORPORATION LTD.

the fluorspar beneficiation project, a single largest project of 40,000 MTPA capacity at Kadipani. Based on pilot test report, Global tender will be floated for selection of EPC contract. Valuation report for kadipani assets has received from Ernst and Young. Based on report, land will be leased on hire basis to JV Company and asset transfer will be carried out in favour of JV Company.

13.5 Aikya Chemicals Private Limited

Manganese Oxide, Manganese dioxide and Manganese Sulphate plant set by JVC has been commissioned and production will start soon. The company has invested Rs. 2.5898 crore as equity in the company during the year under report.

13.6 Bhavnagar Energy Company Limited

The Company is one of the promoters of Bhavnagar Energy Company Limited. The share of equity of GMDC in BECL is 23.36 %. BECL is setting up a 500 MW power plant at village Padva, Ta. Ghogha, Dist. Bhavnagar.

14. MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

15. ENVIRONMENT PROGRAMME

Environmental Management assists in use and conservation of natural resources, protection of habitats and control of hazards, spanning the field of environmental management focuses on waste minimization and pollution prevention in line with productivity improvement.

During the year 2016-17, GMDC has planted total 1,59,000 plants saplings covering 52.13 hectares of mine lease and residential colony areas through State Forest Department, local villagers, societies and departmental labour etc. Grassland has developed in 6.2 hectares and Dump Stabilization in 0.5 Ha. of area through Geo Coir Mat. For water conservation, micro drip irrigation system has been installed in 48.12 hectares area of mine lease and residential colony.

Under statutory compliances: Monthly environmental monitoring for air, water and noise pollution is being done in house as well as through Ministry of Environment and Forests / Gujarat Pollution Control Board approved laboratory. As per the guidelines of Central pollution Control Board (CPCB), Opacity Meters have been installed in Boiler Stacks of Akrimota Thermal Power Station (ATPS). Annual Environment Audit in applicable

GMDC Projects is being done by GPCB approved Schedule I & II Auditors. Research work for Ecological restoration on burnt mine dumps at lignite project Panandhro is going on to explore best soil treatment for plantation. Post mining land use pattern for three years through Remote Sensing / GIS process has been completed for applicable projects. Wells for ground water monitoring have been constructed as per the requirement of Environment Clearance of ATPS.

For the year 2017-18, Wildlife Clearance for the removal of Manganese Waste Dumps at Shivrajpur Project has initiated.

To create environmental awareness among all employees and surrounding communities including schools, various environmental awareness programs have been conducted through celebration of World Environment Day and Van Mahotsav in various GMDC projects.

16. INDUSTRIAL RELATIONS, HEALTH AND SAFETY

The relations between the company and its employees continued to be cordial throughout the year. The company is also committed to the health and safety of not only its staff but also of the people engaged through its contractors and community living in and around its project areas. Dispensaries with qualified doctors and para-medical staff are in operation at Panandhro, Akrimota Thermal Power Plant, Rajpardi and Kadipani Projects. Mobile medical vans facilities are also operational at various projects. At every project, GMDC provides ISI & DGMS safety shoes and other safety devices and adopts best safety practices.

The Company is an **OHSAS 18000** certified company. Regular health checkup of employees engaged in Mining and Power segment including employees engaged through contractors, transporters etc. are conducted.

17. PARTICULARS OF EMPLOYEES

The Company did not have any employee who was employed throughout the financial year and in receipt of remuneration of Rs. 60 lakh or more, or employed for part of the year and in receipt of Rs. 5 lakh or more a month, under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The table containing other particulars of employees in accordance with the provisions of Section 197 (1) of the Companies Act, 2013, read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended at Annexure II to the Board's Report.

18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Additional information on conservation of energy,

technology absorption, foreign exchange earnings and outgo as required by the Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is annexed as Annexure III and forms part of this report.

19. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

Looking to the profile of GMDC, i.e., Mining and Power Operations, GMDC has inbuilt risk management practices to address various operational risks. The Company has standard operating processes for various mining operations in order to mitigate procedures and prevent risk arising out of various operations. GMDC has no external borrowings. Hence, there is no financial risk that can impact GMDC's Financial Position. GMDC primarily deals with natural resources. Hence, Policy of Government may impact GMDC's operational strategy.

GMDC's risk management process revolves around following parameters:

1. Risk Identification and Impact Assessment
2. Risk Evaluation
3. Risk Reporting and Disclosure
4. Risk Mitigation

Company has also set up a Risk Management Committee.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans and guarantees given by the company under Section 186 of the Companies Act, 2013. During the year under review, the Company made an investment of Rs. Rs. 2.5898 crore in the equity of M/s Aikya Chemicals Pvt. Ltd.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the Financial Year, the transactions entered into by the company with the related parties were in ordinary course of business at arm's length. The company has not entered into contracts / arrangements / transactions with Related Parties which could be considered material in accordance with Section 188 of the Act and the Policy of the company for Related Party Transactions. Hence, the disclosure in Form AOC 2 under Section 134 (3) of Companies Act, 2013 is not required. The Policy on Related Party Transactions may be accessed on the website of the company at

<http://www.gmdcltd.com/downloads/GMDC-POLICY-RELATED-PARTY-TRANSACTIONS-31032015.pdf>. Your attention is drawn to Note No 2.44.02 to the Financial Statement which sets out Related Party Disclosure.

22. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There were no qualifications, reservations or adverse remarks or disclaimers made by the statutory auditors or C & AG in their report on the standalone and consolidated accounts for the year 2016-17. The C & AG has also not offered any adverse comment upon or supplement to Statutory Auditor Report. The qualifications, reservations or adverse remarks or disclaimers made by the practicing Company Secretary and explanations thereto, are given at Annexure I forming part of this report.

23. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company being a Government Company, the Government of Gujarat appoints its Directors, except the Independent Directors. The company does not pay any remuneration to its Directors except, the sitting fees and out of pocket expenses. The Independent Directors are appointed by the Shareholders in their General Meeting. Except the Managing Director, all the Directors of the Company are non-executive directors.

24. EXTRACTS OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended in Annexure IV to this report.

25. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had conducted 6 Board Meetings under the financial year under review.

26. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its Responsibility Statement:-

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



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b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit and loss of the company for that period;

c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. The Directors had prepared the annual accounts on a going concern basis;

e. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

27. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

28. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

29. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

During the year under review, the Audit Committee consisted of the following members:

- i. Shri Bhadresh Mehta
- ii. Smt. Mona Khandhar, IAS
- iii. Shri S.B. Dangayach

The above composition of the Audit Committee consisted of two independent Directors viz., Shri Bhadresh Mehta and Shri S.B. Dangayach who form the majority. The Chairman of the Audit Committee is an Independent Director. Further after the end of the financial year, the company has expanded the composition of the audit committee and the committee now consists of the following members :

- (I) Shri Bhadresh Mehta
- (ii) Smt Mona Khandhar, IAS

(iii) Shri S B Dangayach

(iv) Shri Nitin Shukla

(v) Prof Shailesh Gandhi

The Company has established a Whistle Blower / Vigil Mechanism Policy. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

30. SHARES

30.1 BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

30.2 SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

30.3 BONUS SHARES

No Bonus Shares were issued during the year under review.

30.4 EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

31. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) Act, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints and received and disposed off during the year 2016-17:

No. of complaints received: NIL

No. of complaints disposed of: NIL

32. CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements of the Company have been prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report. Further, a statement containing salient features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures in the prescribed format AOC – 1 is given at Annexure V.

33. BOARD-OF-DIRECTORS

During the year under report, Shri Arunkumar Solanki, IAS was appointed as the Managing Director. The Government of Gujarat also appointed Smt Mona Khandhar, IAS as Director vice Shri T Natrajan, IAS. The appointment of Prof Shailesh Gandhi was regularized at the 53rd AGM held during the year.

34. CORPORATE GOVERNANCE

As per requirement of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, and as per the new listing agreement entered into with the various Stock Exchanges, the detailed report on the Corporate Governance is given in Annexure VI.

35. MANAGEMENT DISCUSSION AND ANALYSIS

As per requirement of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, and as per the new listing agreement entered into with the various Stock Exchanges, Management Discussion and Analysis is given at Annexure VII and form part of this report.

36. CORPORATE SOCIAL RESPONSIBILITY (CSR) AND CSR POLICY

GMDC has been sensitive towards its Social Responsibility right from its inception. It has adopted a business model which has an inclusive approach. The company is always keen to address needs and requirements of the community within which it operates. Your company reaches out to various segments of society, in particular, of rural community by providing them critical rural infrastructure in various sectors, such as, Water, Health, Sanitation, Education, Employment, Livelihood, Agriculture etc. These initiatives of your company attempt to take the fruits of development to those people who are not yet included in the main stream. In the year passed by, your company has embarked upon a unique initiative of e-clinic whereby the modern medical facilities will be delivered at the door step of rural masses. Apart from this your company has also enriched the libraries of schools in rural areas of the state by providing them books. Under the CSR activities Modernization of Anganwadi and making it smart Anganwadi has been taken up.

The CSR Policy of the Company is also uploaded on the website of GMDC. The CSR Policy framework of the company is available elsewhere in this annual report. A CSR Report for Fiscal 2016-17 as prescribed under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, forms part of this Report, and is annexed at Annexure VIII.

37. BEYOND MINING : INITIATIVES OF GMDC THROUGH VARIOUS CENTRES OF EXCELLENCE

37.1 International Centre of Excellence in Mining Safety & Automation (iCEM):

The Director has been appointed for International Centre of Excellence in Mining Safety & Automation (iCEM). The Centre has started functioning as an autonomous institution.

37.2 International Stone Research Centre (ISRC):

International Stone Research Centre (ISRC) is an initiative of Govt. of Gujarat to develop skilled human resource as Stone Artisans and development of technology for Stone Industry. The Company is reviewing the centre in consultation with Government of Gujarat.

37.3 International Centre for Entrepreneurship & Technology (icreate):

The Centre has started its operation from the new campus. It is undertaking various programmes such as Incubation, Grooming, Mentoring, Awareness Campaign, Seminars & Workshops, GMDC has nominated four representatives representing GMDC on the Board of GFEE.

38. Business Responsibility Report

As per the provisions of the Listing Regulations, Business Responsibility Report (BRR) containing initiatives taken by the Company from environmental, social and economic responsibilities of business and governance perspective is annexed herewith as Annexure - IX as part of this Annual Report.

39. ACKNOWLEDGEMENT

Your Directors are pleased to place on record their deep appreciation for the sincere services and co-operation extended by the officers, employees and workmen of the Company at all levels. They also wish to place on record their gratitude for the confidence placed in them by financial institutions and investors. Further, your Directors wish to thank various departments of the Central Government viz. the Ministry of Environment and Forest, Ministry of Coal, Ministry of Mines and various bodies of State Government of Gujarat viz. Industries & Mines Department, the Finance Department, Commissionerate of Geology and Mining and Gujarat State Pollution Control Board. The Directors also extend their heartiest thanks to the esteemed customers and shareholders of the Company for their valued co-operation.

For and on behalf of the Board-of-Directors

Arunkumar Solanki, IAS	Bhadresh Mehta
Managing Director	Independent Director
DIN : 03571453	DIN : 02625115

Date : 9th May, 2017
Place : Ahmedabad